

Annual Report

1923

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GOODYEAR
MADE IN CANADA

THE GOODYEAR TIRE & RUBBER COMPANY
OF CANADA, LIMITED

TORONTO - CANADA

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ANNUAL REPORT

upon the Examination of the Books
and Accounts of

*The Goodyear Tire & Rubber Company
of Canada, Limited*

TORONTO - CANADA

By

Price, Waterhouse & Co.

Chartered Accountants

Toronto

THE GOODYEAR TIRE & RUBBER COMPANY
OF CANADA, LIMITED

General Offices: 152 Simcoe St., Toronto, Canada

Factories: New Toronto and Bowmanville, Ontario



ANNUAL REPORT OF THE DIRECTORS

OF

The Goodyear Tire & Rubber Company

of Canada, Limited

Toronto, October 24th, 1923.

To the Shareholders :

Your Directors submit the accompanying Balance Sheet for the fiscal year ending September 30th, 1923, with a certificate by your Auditors, Price Waterhouse and Company, which sets forth the results from operations and the financial position of the Company.

After providing for all manufacturing, selling, administrative expenses and income taxes, but before providing for depreciation of buildings, plant and equipment, operations show profit of \$1,522,360.24. Out of this amount there has been set up for depreciation of buildings, plant and equipment \$490,026.63, which leaves a net profit for the year of \$1,032,334.11. The Company has paid the current dividends for the year on both classes of stock, which dividends amount to \$521,967.48, and in addition has paid all dividends in arrears on the Prior Preference Stock and one quarter's deferred dividends on the Preferred Stock. The amount of deferred dividends paid during the year was \$353,079.33, making an aggregate total dividends of \$875,046.81. Our annual statement for the year 1922 showed outstanding \$404,546.62 of 8% notes, which was a part of our refinancing of 1921. These notes would have become due April 1st 1924, 1925 and 1926, but owing to the strong financial position of the Company, they have been prepaid.

The very rapid development of the tire industry makes it essential that your plants should be kept to the highest efficiency. This continually requires new machinery and appliances. Your plant is strictly modern and notwithstanding the necessary capital expenditures during the year to accomplish this, and also the large amount paid in dividends, your current assets are \$253,766.15 in excess of those of a year ago.

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Owing to the keen competition throughout the World in the Rubber Industry, the percentage of profit has been materially reduced. Therefore, the net profits shown in the Balance Sheet are due to about a 40% increase in unit sales as compared with a year ago.

The fiscal year closed without any fixed or bank indebtedness, with cash on hand of \$506,455.11, with current assets of \$5,273,688.83, with current liabilities of \$941,038.90, which includes \$130,497.00 dividends payable October 3rd. Our current assets are \$4,332,000.00 in excess of our liabilities. This gives the Company adequate working capital. We might add that all cash discounts have been taken advantage of, and there is no past due indebtedness.

The value of our inventory is greater than that of a year ago. This is largely due to adding new lines of merchandise and providing ample stocks for prompt shipment, and especially on export orders. The manufactured and crude stocks are exceptionally clean and have been valued in this report at or below cost, but in no case to exceed the current market value.

The amounts set up for reserves either for doubtful accounts or for depreciation of plant are decidedly liberal. It has been our purpose to have our Balance Sheet show a conservative net value of the Company's assets. You will notice that there are no amounts representing the value of good-will, patterns or patents.

Our product has given excellent satisfaction. Extreme economies are being practiced in all departments. Material savings have been made through the year's operation and especially in that of distribution. Competition for our present fiscal year will be decidedly keen and the margins will continue to be low, but owing to our financial position, the efficiency of our factory, our low cost of operation, the high quality of our product, and with the co-operation of our shareholders, we anticipate we will continue to get our share of the trade on a profitable basis.

Respectfully yours,

C. H. CARLISLE.

Vice-President and General Manager.

PRICE, WATERHOUSE & CO.

Chartered Accountants

Royal Bank Building

Toronto, Canada

October 24th, 1923.

To the Shareholders of

THE GOODYEAR TIRE & RUBBER COMPANY OF CANADA, LIMITED.

We have examined the books and accounts of The Goodyear Tire and Rubber Company of Canada, Limited for the year ending 30th September, 1923.

We have satisfied ourselves that all charges to Property Accounts are in respect of actual additions, and sufficient provision has been made for accruing depreciation. The stocks on hand have been taken and valued by the Company on the basis of cost prices which are not above market, the bad debt reserve is considered sufficient to provide for all doubtful accounts; the bank balances were confirmed by certificates, and we have taken all reasonable precautions to satisfy ourselves that all liabilities as at 30th September, 1923 are included in the Balance Sheet.

And we certify that the annexed Balance Sheet is drawn up so as to show the true financial position of the Company as of that date and the results from the operations for the year ending 30th September, 1923, according to the best of our information and the explanations given to us and as shown by the books of the Company.

PRICE, WATERHOUSE & CO.,

Auditors.

The Goodyear Tire & Rubber Balance Sheet

ASSETS

REAL ESTATE, BUILDINGS, PLANT, MACHINERY AND EQUIPMENT	\$ 7,371,134.61
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CURRENT AND WORKING ASSETS:

Inventories:

Stocks on hand—	
Raw Materials and Supplies	\$1,304,337.12
Goods in process	372,005.68
Finished Goods	1,814,839.24
	\$3,491,182.04

Accounts Receivable:

Customers	\$1,078,480.12
Miscellaneous	248,910.28
	\$1,327,390.40
Less—Reserve for Bad and Doubtful Accounts	51,338.72
	1,276,051.68

Cash:

In Bank	\$ 400,355.42
On Hand and in transit from Branches	106,099.69
	506,455.11

5,273,688.83

DEFERRED CHARGES TO OPERATIONS:

Insurance, Taxes and Rent paid in advance	34,656.21
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\$12,679,479.65

Company of Canada, Limited

September 30, 1923

LIABILITIES

CAPITAL STOCK:

Six per cent. Cumulative Prior Preference Stock:		
Authorized—45,000 shares of \$100.00 each	\$ 4,500,000.00	
Issued— 34,498 shares of 100.00 each		\$3,449,800.00
Seven per cent Cumulative Preferred Stock:		
Authorized—150,000 shares of \$100.00 each	\$15,000,000.00	
Issued 45,000 shares of \$100.00 each		4,500,000.00
Common Stock:		
Authorized— 150,000 shares of \$10.00 each	1,500,000.00	
Issued 53,320 shares of \$10.00 each		533,200.00
TOTAL CAPITAL		\$8,483,000.00

CURRENT LIABILITIES:

Accounts Payable	\$ 530,857.20	
Miscellaneous	279,684.70	
Dividends on Prior Preference and Preferred Stocks payable October 3rd, 1923	130,497.00	
		941,038.90

RESERVES:

For Depreciation of Buildings, Plant, Machinery, and Equipment	\$ 1,559,929.37	
For Contingencies	175,311.87	
		1,735,241.24

SURPLUS:

Balance at October 1st, 1922	\$ 1,362,912.21	
Add—Profit for the year ending September 30, 1923 before providing for depreciation but after deducting Income Tax	\$1,522,360.74	
Less—Reserve for Depreciation	490,026.63	
Net Profits	1,032,334.11	
Deduct—Dividends on Prior Preference and Preferred Stocks:	2,395,246.32	
On account of arrears	353,079.33	
Current year's dividends	521,967.48	875,046.81
		1,520,199.51
		<u>\$12,679,479.65</u>

Note:—

Dividends on the seven per cent. Preferred Stock are in arrears to the amount of \$472,500.00.

BOARD OF DIRECTORS

E. G. WILMER
AKRON

C. H. CARLISLE
TORONTO

G. M. STADELMAN
AKRON

P. W. LITCHFIELD
AKRON

J. E. McALLISTER
TORONTO

P. A. THOMSON
MONTREAL

C. B. McNAUGHT
TORONTO

EXECUTIVE OFFICERS

E. G. WILMER
President

C. H. CARLISLE
Vice-President and General Manager

J. G. LANE
Treasurer

H. N. BARRY
Secretary and Comptroller

R. P. D. GRAHAM
Assistant Treasurer

R. C. BERKINSHAW
Assistant Secretary

H. C. LOWER
General Sales Manager

E. K. KOKEN
Factory Superintendent

W. H. JEEVES and M. J. SMITH
Assistant Comptrollers

GOODYEAR PRODUCTS

TIRES :—Automobile, Truck, Motorcycle, Bicycle, Carriage.

TUBES :—Automobile (laminated) Regular and Heavy Tourist
Motorcycle (Endless and Butt End), Bicycle.

ACCESSORIES :—For all Pneumatic Type Tires and Tubes,
Repair Fabric and Gum, Rims and Parts, Rubber
Cements, Tubing, Vulcanizers' Supplies.

BELTING :—Conveyor, Elevator, Transmission, Miscellaneous.

HOSE :—Garden, Pneumatic Tool, Steam, Radiator, Suction,
Miscellaneous.

PACKINGS AND SHEETINGS :—Hydraulic, Piston, Goodyear-
ite, Asbestos, Sheet Packing.

MISCELLANEOUS :—All kinds Rubber Mats and Matting,
Bumpers, Lathe Goods, Valves, Molded Goods of all
Descriptions, etc.

WINGFOOT RUBBER HEELS

The Goodyear Tire & Rubber Company of Canada, Limited

General Offices: TORONTO, ONT.

Factories: { BOWMANVILLE, ONT.
 { NEW TORONTO, ONT.

VANCOUVER, B.C.	1004 Homer St.
CALGARY, ALTA	335-339 8th Ave. West.
EDMONTON, ALTA	10229 105th St.
SASKATOON, SASK.	118 3rd Avenue South
REGINA, SASK.	Cor. Broad St. and 6th Ave
WINNIPEG, MAN.	132 Portage Ave. East
FORT WILLIAM, ONT.	303 Simpson St.
LONDON, ONT.	316 Dundas St.
HAMILTON, ONT.	127 King St. West
TORONTO, ONT.	152 Simcoe St
OTTAWA, ONT.	246 Queen St.
MONTREAL, QUE.	318 St. James St.
QUEBEC, QUE.	62 St. Joseph St.
ST. JOHN, N.B.	83 Prince William St.
HALIFAX, N.S.	62-64 Duke St.

Wholesale Distributors at Victoria, B.C., Lethbridge,
Alta., and Walkerville, Ont.

Over Four Thousand Canadian Retail Dealers
carry stocks of Goodyear Made-in-Canada
Automobile Tires.







